

Comments on Oregon Family Planning Budget Neutrality
Responses 9/02/03

Questions received 8/28/03

1.. You state, “However, due to state budget challenges, we are expected to make every effort to maintain costs within the \$239/client budgeted for the current biennium.” In your expenditure worksheets you have also kept per capita costs at \$239 for years 5-8. Since this is a fee for service program, how do you expect to restrict per person costs? Are you going to cap enrollment? In a fee for service program, per person costs should be represented by total expenditures/persons served. Please trend per person costs forward using the rate of growth for expenditures and persons from previous years and provide information on these trend rates.

Answer: The “Total Costs” worksheet submitted 8/18 continued the per capita cost of \$239.00 through years 6, 7, and 8 in error. A corrected worksheet is attached and reflects increases calculated by a linear projection methodology. Actual changes in per capita cost from years one through five are trended forward through year eight using a formula available in the Excel program. The effective increase over the three year period starting from the end of year 5 and ending in year 8 is 11%.

2. Narrative attachment to BN- worksheet 1

Expanded FP Expenditures- persons- What is straight line trending? Please tell us the actual trend rate and the source of information.

Answer: Actual expenditures for the first 5 years (year five is a partial projection) are “trended” forward using a linear trending formula available in the Excel program. Cost trend has been uneven but has averaged slightly over 10%/year. Total cost increase projected over the 3 year extension period is 39%.

3. Narrative attachment- base rate calculation – In the table the rate per 1,000 is not correct. Please change to match your excel spreadsheets.

Answer: Narrative attachment has been corrected.

4. Participant fertility rates – The numerator should include **all** births to persons in a demonstration enrolled in the demonstration during that demonstration year, not just those who had a birth paid for by Medicaid after their FPEP participation.

Answer: The data match was made between two full years of data (Medicaid births and FPEP participants). There were no births excluded because participation in FPEP came after the birth, although both Oregon and CMS has acknowledged that pre-participation births are a questionable inclusion in this analysis.

5. Births averted calculation worksheet

- Please explain how you calculated the preliminary birth rates for 2001.

Answer: For the first nine months (3 quarters) of the project year labeled 2001, actual project data was matched with the Medicaid data base for the same time period. Because we did not have the Medicaid data base for the fourth quarter of the 2001 project year, a calculation was made of how much change had occurred in the rate established for the first three quarters of year from the same period in the previous year. The fourth quarter of Project Year 2001 was estimated by applying that rate of change to the fourth quarter. We called this a preliminary birth rate because it did contain 3 quarters of actual match between the two program data bases.

- For 2002, the state should continue their previous methodology and use the same birth rate as 2001.

Answer: The projection for 2002 is based on the preliminary rate established for 2001, applied to actual 2002 FPEP client data. See revised births averted table.

- The number of clients for 2004-2006 should be the same as what is provided in the expanded family planning worksheet. They do not currently match.

Answer: Corrected Budget Neutrality worksheets should now match.

6. Total Costs Model budget neutrality worksheet

- The expanded fp expenditures total does not match up with the CMS 64 report. Please explain.

Answer: An initial review of the CMS 64 found that Oregon had been submitting expenditures incorrectly in several ways. Reporting had been mistimed as to federal years and had not been labeled appropriately for the Project. Furthermore, expenditures made and reported correctly by fiscal year had not been adjusted to reflect payments by date of claim for Project reporting purposes. Working with the Regional Fiscal staff, Oregon has made the appropriate changes in the way expenditures are reported. Furthermore, date of service information has been provided. However, there seem to be some barriers to amending earlier CMS 64 reports to reflect all of these changes.

The information in the spreadsheets submitted is by date of service and reflects actual expenditures related to services in the project years.

7. In addition, please provide information on the number of persons, per capita costs, and total costs for family planning services under your general Medicaid program for years 1-8.

Answer: This information is being collected by research and budget staff at the Office of Medical Assistance Programs and will be submitted as soon as it is available.

Additional Questions 8/29/03

1. What happens to a woman enrolled in the family planning waiver who has an income between 185% and 171% FPL and she becomes pregnant? What happens in this situation where there's a gap between the family planning eligibility level and the Medicaid pregnancy eligibility level? (P. 3 of waiver extension proposal amended on 8/19/03).

Answer: Any woman at 185% FPL before her pregnancy, but who becomes pregnant, will at the same time become income eligible for Medicaid coverage for the pregnancy. The pregnancy automatically increases the family size and therefore the calculation of FPL. In addition to this, the Oregon Legislature has preliminarily approved a budget for the Medicaid program that would include funding for pregnant women at 200% FPL.

2. Some of the program goals and objectives fail to show a statistically significant difference as a result of this intervention. Does the state plan to do anything differently with the implementation of its waiver that may result in more progress in its goals in the next 3 years? (P. 13-14 of waiver extension proposal amended on 8/19/03).

Answer: Although some of our measures do not yet show a statistical impact on the overall population, the trend is positive and the impact on the target population is already significant. We believe that incremental increases affecting the whole population will follow. We do not anticipate a significant change in program strategies, although we do believe that consistent availability of services and education to the target population will mean increases in the level of commitment individuals make to continuous contraceptive use when they do not desire to become pregnant.

Additional questions received 9/02/03.

1. Section 1903(a)(1) and (a)(5) provides that Federal matching funds are only available for expenditures made by states for services under the approved State Plan or under section 1115 authority. To ensure that program dollars are used only to pay for Medicaid services, we are asking states to confirm to CMS that the contractors/providers retain 100 percent of the payments. Do the

contractors/providers retain all of the Medicaid payments, including capitation, and do not participate in such activities as intergovernmental transfers or certified public expenditure payments, including the Federal and State share, or is any portion of any payment returned to the state, local governmental entity, or any other intermediary organization? If the contractors/providers are required to return any portion of any payment, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of the amount or percentage of payments that are returned, and the disposition and use of the funds once they are returned to the state (i.e., general fund, medical services account, etc.)

Providers are not required to return any of the Medicaid revenue from this program. However, providers who are also Title X grantees are required to treat this Medicaid income as “program income” for purposes of the Title X grant and thus must keep the income in the family planning program.

Oregon may wish in the future to have agreements with local public health agencies to utilize local general fund dollars to bolster the local match available for this program. At this time we do not have any such agreements, but we assume that if they are voluntary and are used for expanded services rather than to generate match currently being supported by state funds that this would be allowed.

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plans. Please describe how the State share of the Medicaid payment for the contractors/providers is funded. Please describe whether the State share is from appropriations from the legislature, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide State share. Please provide an estimate of total expenditures and State share amounts for the Medicaid payment. If any of the State share is being provided through the use of local funds using IGTs or CPEs, please fully describe the matching arrangement. If CPEs are used, please describe how the state verifies that the expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b).

The State share of the Medicaid payment for the contractors/providers is funded in total with State General Fund dollars specifically appropriated for this program.

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) and (a)(5) provides for Federal financial participation to states for expenditures for services under an approved State Plan or under section 1115 authority. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to the contractors/providers.

There are no additional or enhanced reimbursements available to family planning providers that are not available under the state plan.